



MANAGEMENT LETTER POINTS

Owsley County School District
Booneville, Kentucky

In planning and performing our audit of the financial statements of the Owsley County School District for the year ended June 30, 2015, we considered the District's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the District's internal control in our report dated November 10, 2015. This letter does not affect our report dated November 10, 2015, on the financial statements of the Owsley County School District. The conditions observed are as follows:

OWSLEY COUNTY ELEMENTARY

1-15

Statement of Condition: Teachers/sponsors not turning in money collected from students or other sources timely.

Recommendation for Correction: All money collected by a teacher/sponsor shall be turned in to the school treasurer the day the money is collected along with the appropriate supporting documentation.

Management Response to the Recommendation: Will correct. Send email reminders, ask the principal to send email to staff also.

2-15

Statement of Condition: Receipt numbers are not being listed on the deposit slip.

Recommendation for Correction: Receipt numbers must be listed on the deposit slip to determine which receipts are related to each deposit.

Management Response to the Recommendation: Receipt number will be listed on the deposit slip.

3-15

Statement of Condition: The Multiple Receipt Form (F-SA-6) is not consistently being signed and dated by the teacher/sponsor turning the form into the bookkeeper.

Recommendation for Correction: Each day that money is collected from students, the teacher/sponsor will insure that the Multiple Receipt Form (F-SA-6) is properly filled out and signed by the student when the transfer of cash occurs from the student to the teacher/sponsor. This document along with the money is to be turned in to the School treasurer daily.

Management Response to the Recommendation: Will correct. Will remind staff that multiple receipt form must be turned in signed and dated daily.

OWSLEY COUNTY HIGH SCHOOL

4-15

Statement of Condition: Instances of lack of segregation of duties in the process of ticket sales for baseball and softball games.

Recommendation for Correction: Precautions must be taken to protect activity fund money from loss and limit the liability of persons handling money. The ticket seller gives the entire ticket to the customer and collects the fee. The ticket taker tears the ticket in half, gives half to the customer, and retains half. The ticket seller and the ticket taker must be two separate people. Both must sign the Requisition and Report of Ticket Sales (F-SA-1) form.

Management's Response to the Recommendation: Will correct by having a ticket seller and ticket taker.

5-15

Statement of Condition: Purchase Orders are being utilized; however there were several instances of the Purchase Orders being approved after the obligation of funds or purchase being made.

Recommendation for Correction: The person requesting to make a purchase or expend activity funds will prepare a Purchase Request/Order (F-SA-7) and have it approved by the sponsor and principal. After proper approval, a Purchase Order number shall be issued or an (EPES) Purchase Order generated so the expenditure can be purchased or ordered.

Management Response to the Recommendation: Will correct. Will remind all staff that no purchases should be made without a purchase order number.

We will review the status of these conditions during our next audit engagement. We have already discussed many of these conditions and suggestions with various District personnel, and we will be pleased to discuss these comments in further detail at your

convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

The following are repeat conditions from the prior year: 2-15 and 4-14. All other prior year conditions have been implemented and corrected. Mr. Bobrowski, Superintendent, is the person responsible for initiation of the corrective action plan for the above comments which will be implemented immediately. The corrective action plan is the management response for each condition.

We would like to thank the Finance Officer and their department for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Education, management, and others within the district and is not intended to be and should not be used by anyone other than these specified parties.

White & Associates, PSC

White & Associates, PSC
Richmond, Kentucky
November 10, 2015